



ANNUAL STATEMENT

For the Year Ended December 31, 2017

of the Condition and Affairs of the

Priority Health Choice, Inc.

NAIC Group Code.....3383, 3383

NAIC Company Code..... 11520

Employer's ID Number..... 32-0016523

(Current Period) (Prior Period)

Organized under the Laws of MI

State of Domicile or Port of Entry MI

Country of Domicile US

Licensed as Business Type.....Health Maintenance Organization

Is HMO Federally Qualified? Yes [] No [X]

Incorporated/Organized..... June 3, 2002

Commenced Business..... October 1, 2002

Statutory Home Office

1231 East Beltline NE..... Grand Rapids MI US 49525-4501

(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office

1231 East Beltline NE..... Grand Rapids MI US 49525-4501

(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address

1231 East Beltline NE..... Grand Rapids MI US 49525-4501

(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records

1231 East Beltline NE..... Grand Rapids MI US 49525-4501

(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address

www.priorityhealth.com

Statutory Statement Contact

Paul Van't Hof

(Name)

616-575-4911

(Area Code) (Telephone Number) (Extension)

paul.vanthof@priorityhealth.com

(E-Mail Address)

(Fax Number)

OFFICERS

Name	Title	Name	Title
1. Joan Antaya Budden	President / Chief Executive Officer	2. Mary Anne Jones	Treasurer / Chief Financial Officer
3. Kimberly Lynn Thomas	Secretary	4.	

OTHER

DIRECTORS OR TRUSTEES

Joan Antaya Budden	Michael Richard Koziara	Mary Anne Jones	James Dwight Forshee
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State of.....
County of.....

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions and Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)

Joan Antaya Budden

1. (Printed Name)

President / Chief Executive Officer

(Title)

(Signature)

Mary Anne Jones

2. (Printed Name)

Treasurer / Chief Financial Officer

(Title)

(Signature)

Kimberly Lynn Thomas

3. (Printed Name)

Secretary

(Title)

Subscribed and sworn to before me

This _____ day of _____ 2018

a. Is this an original filing? Yes [X] No []

b. If no

1. State the amendment number _____

2. Date filed _____

3. Number of pages attached _____

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	1,045,896		1,045,896	1,043,786
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....	45,077,634		45,077,634	37,335,640
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....(2,720,410), Schedule E-Part 1), cash equivalents (\$.....20,231,969, Schedule E-Part 2) and short-term investments (\$.....46,814,548, Schedule DA).....	64,326,106		64,326,106	75,936,683
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....			0	
9. Receivables for securities.....			0	
10. Securities lending reinvested collateral assets (Schedule DL).....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	110,449,636	0	110,449,636	114,316,109
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	188,392		188,392	211,358
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	776,807	182,784	594,023	4,287,077
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			0	
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....			0	
16.2 Funds held by or deposited with reinsured companies.....			0	
16.3 Other amounts receivable under reinsurance contracts.....			0	
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0	
18.2 Net deferred tax asset.....			0	
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....			0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	3,947,298		3,947,298	5,988,838
24. Health care (\$.....9,896,745) and other amounts receivable.....	9,896,745		9,896,745	7,524,708
25. Aggregate write-ins for other-than-invested assets.....	768,557	768,557	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	126,027,435	951,341	125,076,094	132,328,090
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTAL (Lines 26 and 27).....	126,027,435	951,341	125,076,094	132,328,090

DETAILS OF WRITE-INS				
1101.			0	
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Prepaids.....	768,557	768,557	0	
2502.			0	
2503.			0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	768,557	768,557	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded).....	42,056,715		42,056,715	61,091,038
2. Accrued medical incentive pool and bonus amounts.....	3,989,457		3,989,457	4,885,394
3. Unpaid claims adjustment expenses.....	547,341		547,341	565,142
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act.....			0	
5. Aggregate life policy reserves.....			0	
6. Property/casualty unearned premium reserves.....			0	
7. Aggregate health claim reserves.....			0	
8. Premiums received in advance.....			0	
9. General expenses due or accrued.....	1,570,074		1,570,074	1,703,254
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)).....			0	
10.2 Net deferred tax liability.....			0	
11. Ceded reinsurance premiums payable.....			0	
12. Amounts withheld or retained for the account of others.....	6,211,161		6,211,161	6,857,023
13. Remittances and items not allocated.....			0	
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....			0	
15. Amounts due to parent, subsidiaries and affiliates.....	1,917,290		1,917,290	1,876,786
16. Derivatives.....			0	
17. Payable for securities.....			0	
18. Payable for securities lending.....			0	
19. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers).....			0	
20. Reinsurance in unauthorized and certified (\$.....0) companies.....			0	
21. Net adjustments in assets and liabilities due to foreign exchange rates.....			0	
22. Liability for amounts held under uninsured plans.....			0	
23. Aggregate write-ins for other liabilities (including \$.....0 current).....	0	0	0	0
24. Total liabilities (Lines 1 to 23).....	56,292,038	0	56,292,038	76,978,637
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	0	0
26. Common capital stock.....	XXX	XXX	10,000	10,000
27. Preferred capital stock.....	XXX	XXX		
28. Gross paid in and contributed surplus.....	XXX	XXX	11,326,877	11,326,877
29. Surplus notes.....	XXX	XXX		
30. Aggregate write-ins for other-than-special surplus funds.....	XXX	XXX	1,000,000	1,000,000
31. Unassigned funds (surplus).....	XXX	XXX	56,447,179	43,012,576
32. Less treasury stock at cost:				
32.1 .....0.000 shares common (value included in Line 26 \$.....0).....	XXX	XXX		
32.2 .....0.000 shares preferred (value included in Line 27 \$.....0).....	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	XXX	XXX	68,784,056	55,349,453
34. Total liabilities, capital and surplus (Lines 24 and 33).....	XXX	XXX	125,076,094	132,328,090

DETAILS OF WRITE-INS

2301.			0	
2302.			0	
2303.			0	
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above).....	0	0	0	0
2501.	XXX	XXX		
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	XXX	XXX	0	0
3001. Appropriated Retained Earnings.....	XXX	XXX	1,000,000	1,000,000
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page.....	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above).....	XXX	XXX	1,000,000	1,000,000

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member months.....	XXX	1,498,864	1,349,587
2. Net premium income (including \$.....0 non-health premium income).....	XXX	517,463,814	484,530,294
3. Change in unearned premium reserves and reserve for rate credits.....	XXX		
4. Fee-for-service (net of \$.....0 medical expenses).....	XXX		
5. Risk revenue.....	XXX		
6. Aggregate write-ins for other health care related revenues.....	XXX	0	0
7. Aggregate write-ins for other non-health revenues.....	XXX	0	0
8. Total revenues (Lines 2 to 7).....	XXX	517,463,814	484,530,294
Hospital and Medical:			
9. Hospital/medical benefits.....		363,336,109	309,702,151
10. Other professional services.....		9,278,569	10,947,886
11. Outside referrals.....		5,476,317	4,142,348
12. Emergency room and out-of-area.....		21,288,954	18,096,670
13. Prescription drugs.....		71,810,200	70,773,366
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....		5,495,336	6,305,055
16. Subtotal (Lines 9 to 15).....	0	476,685,485	419,967,476
Less:			
17. Net reinsurance recoveries.....		186,612	107,826
18. Total hospital and medical (Lines 16 minus 17).....	0	476,498,873	419,859,650
19. Non-health claims (net).....			
20. Claims adjustment expenses, including \$.....5,604,475 cost containment expenses.....		11,166,090	10,975,892
21. General administrative expenses.....		18,965,076	45,483,385
22. Increase in reserves for life and accident and health contracts including \$.....0 increase in reserves for life only).....			
23. Total underwriting deductions (Lines 18 through 22).....	0	506,630,039	476,318,927
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX	10,833,775	8,211,367
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		1,745,482	1,226,352
26. Net realized capital gains or (losses) less capital gains tax of \$.....0.....		205,032	149,272
27. Net investment gains or (losses) (Lines 25 plus 26).....	0	1,950,514	1,375,624
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)].....			
29. Aggregate write-ins for other income or expenses.....	0	0	950,700
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX	12,784,289	10,537,691
31. Federal and foreign income taxes incurred.....	XXX		
32. Net income (loss) (Lines 30 minus 31).....	XXX	12,784,289	10,537,691
DETAILS OF WRITE-INS			
0601.	XXX		
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above).....	XXX	0	0
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above).....	XXX	0	0
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....	0	0	0
2901. Other Income.....			950,700
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....	0	0	950,700

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year	2 Prior Year
33. Capital and surplus prior reporting period.....	.....55,349,451	.....44,880,949
34. Net income or (loss) from Line 32.....	.....12,784,289	.....10,537,691
35. Change in valuation basis of aggregate policy and claim reserves.....		
36. Change in net unrealized capital gains and (losses) less capital gains tax of \$.....0.....	.....1,555,427	.....(22,960)
37. Change in net unrealized foreign exchange capital gain or (loss).....		
38. Change in net deferred income tax.....		
39. Change in nonadmitted assets.....	.....(905,112)	.....(46,229)
40. Change in unauthorized and certified reinsurance.....		
41. Change in treasury stock.....		
42. Change in surplus notes.....		
43. Cumulative effect of changes in accounting principles.....		
44. Capital changes:		
44.1 Paid in.....		
44.2 Transferred from surplus (Stock Dividend).....		
44.3 Transferred to surplus.....		
45. Surplus adjustments:		
45.1 Paid in.....		
45.2 Transferred to capital (Stock Dividend).....		
45.3 Transferred from capital.....		
46. Dividends to stockholders.....		
47. Aggregate write-ins for gains or (losses) in surplus.....	.....0	.....0
48. Net change in capital and surplus (Lines 34 to 47).....	.....13,434,604	.....10,468,502
49. Capital and surplus end of reporting period (Line 33 plus 48).....	.....68,784,055	.....55,349,451

DETAILS OF WRITE-INS		
4701.		
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page.....	.....0	.....0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above).....	.....0	.....0

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	520,974,084	483,962,451
2. Net investment income.....	1,766,339	1,151,318
3. Miscellaneous income.....		
4. Total (Lines 1 through 3).....	522,740,423	485,113,769
5. Benefit and loss related payments.....	498,801,170	420,103,002
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	30,282,147	56,196,386
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....		
10. Total (Lines 5 through 9).....	529,083,317	476,299,388
11. Net cash from operations (Line 4 minus Line 10).....	(6,342,894)	8,814,381
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....		1,050,000
12.2 Stocks.....	874,552	633,760
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	(8,359)	2,107
12.7 Miscellaneous proceeds.....		
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	866,193	1,685,867
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....		1,043,602
13.2 Stocks.....	6,847,729	16,458,414
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....		
13.7 Total investments acquired (Lines 13.1 to 13.6).....	6,847,729	17,502,016
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(5,981,536)	(15,816,149)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....		
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....		
16.6 Other cash provided (applied).....	713,854	(2,393,155)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	713,854	(2,393,155)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	(11,610,576)	(9,394,923)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	75,936,681	85,331,604
19.2 End of year (Line 18 plus Line 19.1).....	64,326,105	75,936,681
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001 .....	.....	.....

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

		1	2	3	4
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1 + 2 - 3)
1.	Comprehensive (hospital and medical).....				.....0
2.	Medicare supplement.....				.....0
3.	Dental only.....				.....0
4.	Vision only.....				.....0
5.	Federal employees health benefits plan.....				.....0
6.	Title XVIII - Medicare.....	.....5,548,543			.....5,548,543
7.	Title XIX - Medicaid.....	.....512,545,542		.....630,271	.....511,915,271
8.	Other health.....				.....0
9.	Health subtotal (Lines 1 through 8).....	.....518,094,085	.....0	.....630,271	.....517,463,814
10.	Life.....				.....0
11.	Property/casualty.....				.....0
12.	Totals (Lines 9 to 11).....	.....518,094,085	.....0	.....630,271	.....517,463,814

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct.....	492,667,128						4,901,926	487,765,202		
1.2 Reinsurance assumed.....	0									
1.3 Reinsurance ceded.....	186,612							186,612		
1.4 Net.....	492,480,516	0	0	0	0	0	4,901,926	487,578,590	0	0
2. Paid medical incentive pools and bonuses.....	6,391,273						67,931	6,323,342		
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct.....	42,056,715						420,567	41,636,148		
3.2 Reinsurance assumed.....	0									
3.3 Reinsurance ceded.....	0									
3.4 Net.....	42,056,715	0	0	0	0	0	420,567	41,636,148	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct.....	0									
4.2 Reinsurance assumed.....	0									
4.3 Reinsurance ceded.....	0									
4.4 Net.....	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year.....	3,989,457						39,895	3,949,562		
6. Net healthcare receivables (a).....	2,442,656						24,427	2,418,229		
7. Amounts recoverable from reinsurers December 31, current year.....	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct.....	61,091,038						1,007,274	60,083,764		
8.2 Reinsurance assumed.....	0									
8.3 Reinsurance ceded.....	0									
8.4 Net.....	61,091,038	0	0	0	0	0	1,007,274	60,083,764	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct.....	0									
9.2 Reinsurance assumed.....	0									
9.3 Reinsurance ceded.....	0									
9.4 Net.....	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year.....	4,885,394						48,854	4,836,540		
11. Amounts recoverable from reinsurers December 31, prior year.....	0									
12. Incurred benefits:										
12.1 Direct.....	471,190,149	0	0	0	0	0	4,290,792	466,899,357	0	0
12.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded.....	186,612	0	0	0	0	0	0	186,612	0	0
12.4 Net.....	471,003,537	0	0	0	0	0	4,290,792	466,712,745	0	0
13. Incurred medical incentive pools and bonuses.....	5,495,336	0	0	0	0	0	58,972	5,436,364	0	0

(a) Excludes \$.....0 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Medical and Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in process of adjustment:										
1.1 Direct.....	6,933,208						69,332	6,863,876		
1.2 Reinsurance assumed.....	0									
1.3 Reinsurance ceded.....	0									
1.4 Net.....	6,933,208	0	0	0	0	0	69,332	6,863,876	0	0
2. Incurred but unreported:										
2.1 Direct.....	35,123,507						351,235	34,772,272		
2.2 Reinsurance assumed.....	0									
2.3 Reinsurance ceded.....	0									
2.4 Net.....	35,123,507	0	0	0	0	0	351,235	34,772,272	0	0
3. Amounts withheld from paid claims and capitations:										
3.1 Direct.....	0									
3.2 Reinsurance assumed.....	0									
3.3 Reinsurance ceded.....	0									
3.4 Net.....	0	0	0	0	0	0	0	0	0	0
4. Totals:										
4.1 Direct.....	42,056,715	0	0	0	0	0	420,567	41,636,148	0	0
4.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded.....	0	0	0	0	0	0	0	0	0	0
4.4 Net.....	42,056,715	0	0	0	0	0	420,567	41,636,148	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical).....					0	
2. Medicare supplement.....					0	
3. Dental only.....					0	
4. Vision only.....					0	
5. Federal employees health benefits plan.....					0	
6. Title XVIII - Medicare.....	565,952	4,358,854	582	419,985	566,534	1,007,274
7. Title XIX - Medicaid.....	56,029,215	431,526,496	57,585	41,578,563	56,086,800	60,083,764
8. Other health.....					0	
9. Health subtotal (Lines 1 to 8).....	56,595,167	435,885,350	58,167	41,998,548	56,653,334	61,091,038
10. Healthcare receivables (a).....	2,427,564	1,467,649		975,008	2,427,564	2,427,564
11. Other non-health.....					0	
12. Medical incentive pools and bonus amounts.....	5,324,885	1,066,388		3,989,457	5,324,885	4,885,394
13. Totals (Lines 9 - 10 + 11 + 12).....	59,492,488	435,484,089	58,167	45,012,997	59,550,655	63,548,868

(a) Excludes \$.....0 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS
(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior.....	19,858	19,858	19,858	19,858	19,858
2. 2013.....	189,764	213,499	213,499	213,499	213,499
3. 2014.....	XXX	262,480	294,734	294,734	294,734
4. 2015.....	XXX	XXX	333,538	388,546	388,546
5. 2016.....	XXX	XXX	XXX	364,991	424,484
6. 2017.....	XXX	XXX	XXX	XXX	435,484

SECTION B - INCURRED HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior.....					
2. 2013.....	215,022	213,438	213,438	213,438	213,438
3. 2014.....	XXX	306,663	298,121	298,121	298,121
4. 2015.....	XXX	XXX	394,944	386,303	386,303
5. 2016.....	XXX	XXX	XXX	428,501	424,503
6. 2017.....	XXX	XXX	XXX	XXX	480,498

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - GRAND TOTAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2013.....	231,486	213,499	6,772	3.2	220,271	95.2			220,271	95.2
2. 2014.....	341,052	294,734	8,406	2.9	303,140	88.9			303,140	88.9
3. 2015.....	452,046	388,546	10,059	2.6	398,605	88.2			398,605	88.2
4. 2016.....	484,530	424,484	11,137	2.6	435,621	89.9	58	1	435,680	89.9
5. 2017.....	517,464	435,484	6,576	1.5	442,060	85.4	45,988	546	488,594	94.4

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(\$000 Omitted)

SECTION A - PAID HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior.....	297	297	297	297	297
2. 2013.....	2,401	2,836	2,836	2,836	2,836
3. 2014.....	XXX	5,357	6,754	6,754	6,754
4. 2015.....	XXX	XXX	6,357	7,880	7,880
5. 2016.....	XXX	XXX	XXX		
6. 2017.....	XXX	XXX	XXX	XXX	

SECTION B - INCURRED HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior.....					
2. 2013.....	2,849	2,775	2,775	2,775	2,775
3. 2014.....	XXX	7,019	6,759	6,759	6,759
4. 2015.....	XXX	XXX	8,062	7,902	7,902
5. 2016.....	XXX	XXX	XXX		
6. 2017.....	XXX	XXX	XXX	XXX	

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - HOSPITAL AND MEDICAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2013.....	3,771	2,836	90	3.2	2,926	77.6			2,926	77.6
2. 2014.....	8,562	6,754	193	2.9	6,947	81.1			6,947	81.1
3. 2015.....	10,111	7,880	203	2.6	8,083	79.9			8,083	79.9
4. 2016.....	(1)	0	(4)	0.0	(4)	400.0			(4)	400.0
5. 2017.....		0		0.0	0	0.0			0	0.0

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(\$000 Omitted)

SECTION A - PAID HEALTH CLAIMS - TITLE XVIII - MEDICARE

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior.....					
2. 2013.....					
3. 2014.....	XXX				
4. 2015.....	XXX	XXX			
5. 2016.....	XXX	XXX	XXX		595
6. 2017.....	XXX	XXX	XXX	XXX	4,355

SECTION B - INCURRED HEALTH CLAIMS - TITLE XVIII - MEDICARE

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior.....	NONE				
2. 2013.....					
3. 2014.....					
4. 2015.....					
5. 2016.....					
6. 2017.....					

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - TITLE XVIII - MEDICARE

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2013.....		0		0.0	0	0.0			0	0.0
2. 2014.....		0		0.0	0	0.0			0	0.0
3. 2015.....		0		0.0	0	0.0			0	0.0
4. 2016.....		595		0.0	595	0.0	1		596	0.0
5. 2017.....	5,549	4,355	60	1.4	4,415	79.6	459	1	4,875	87.9

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(\$000 Omitted)

SECTION A - PAID HEALTH CLAIMS - TITLE XIX - MEDICAID

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior.....	19,561	19,561	19,561	19,561	19,561
2. 2013.....	187,363	210,663	210,663	210,663	210,663
3. 2014.....	XXX	257,123	287,980	287,980	287,980
4. 2015.....	XXX	XXX	327,181	380,666	380,666
5. 2016.....	XXX	XXX	XXX	364,991	423,889
6. 2017.....	XXX	XXX	XXX	XXX	431,129

SECTION B - INCURRED HEALTH CLAIMS - TITLE XIX - MEDICAID

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior.....					
2. 2013.....	212,173	210,663	210,663	210,663	210,663
3. 2014.....	XXX	299,644	291,362	291,362	291,362
4. 2015.....	XXX	XXX	386,882	378,401	378,401
5. 2016.....	XXX	XXX	XXX	428,501	424,503
6. 2017.....	XXX	XXX	XXX	XXX	480,498

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - TITLE XIX - MEDICAID

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2013.....	227,715	210,663	6,682	3.2	217,345	95.4			217,345	95.4
2. 2014.....	332,490	287,980	8,213	2.9	296,193	89.1			296,193	89.1
3. 2015.....	441,935	380,666	9,856	2.6	390,522	88.4			390,522	88.4
4. 2016.....	484,531	423,889	11,141	2.6	435,030	89.8	57	1	435,088	89.8
5. 2017.....	511,915	431,129	6,516	1.5	437,645	85.5	45,529	545	483,719	94.5

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2D - Aggregate Reserve for A&H Contracts Only
NONE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$.....0 for occupancy of own building).....	102,078	101,298	255,815		459,191
2. Salaries, wages and other benefits.....	2,597,580	2,577,714	6,509,724		11,685,018
3. Commissions (less \$.....0 ceded plus \$.....0 assumed).....					0
4. Legal fees and expenses.....	1,993	1,978	4,994		8,965
5. Certifications and accreditation fees.....					0
6. Auditing, actuarial and other consulting services.....	1,833	1,819	4,593		8,245
7. Traveling expenses.....	17,325	17,192	43,417		77,934
8. Marketing and advertising.....	218,103	216,436	546,583		981,122
9. Postage, express and telephone.....	101,551	100,774	254,494		456,819
10. Printing and office supplies.....	79,798	79,187	199,979		358,964
11. Occupancy, depreciation and amortization.....	583,707	579,244	1,462,813		2,625,764
12. Equipment.....					0
13. Cost or depreciation of EDP equipment and software.....					0
14. Outsourced services including EDP, claims, and other services.....	681,330	676,119	1,793,258		3,150,707
15. Boards, bureaus and association fees.....	18,714	18,571	46,899		84,184
16. Insurance, except on real estate.....	10,124	10,046	25,371		45,541
17. Collection and bank service charges.....	4,064	4,033	55,953		64,050
18. Group service and administration fees.....	59,019	58,568	147,906		265,493
19. Reimbursements by uninsured plans.....					0
20. Reimbursements from fiscal intermediaries.....					0
21. Real estate expenses.....					0
22. Real estate taxes.....	2,964	2,941	7,427		13,332
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes.....			4,677,017		4,677,017
23.2 State premium taxes.....					0
23.3 Regulatory authority licenses and fees.....			111,273		111,273
23.4 Payroll taxes.....					0
23.5 Other (excluding federal income and real estate taxes).....	4,084	4,051	10,234		18,369
24. Investment expenses not included elsewhere.....					0
25. Aggregate write-ins for expenses.....	1,120,209	1,111,643	2,807,326	0	5,039,178
26. Total expenses incurred (Lines 1 to 25).....	5,604,476	5,561,614	18,965,076	0	(a).....30,131,166
27. Less expenses unpaid December 31, current year.....	274,721	272,620	1,570,074		2,117,415
28. Add expenses unpaid December 31, prior year.....	185,751	379,391	1,703,254		2,268,396
29. Amounts receivable relating to uninsured plans, prior year.....					0
30. Amounts receivable relating to uninsured plans, current year.....					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30).....	5,515,506	5,668,385	19,098,256	0	30,282,147

DETAILS OF WRITE-INS

2501. Goodwill & Amortization.....	21,119	20,958	52,927		95,004
2502. Finance Management Fee.....	89,394	88,710	224,026		402,130
2503. HR Management Fee.....	57,318	56,880	143,644		257,842
2598. Summary of remaining write-ins for Line 25 from overflow page.....	952,378	945,095	2,386,729	0	4,284,202
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above).....	1,120,209	1,111,643	2,807,326	0	5,039,178

(a) Includes management fees of \$.....25,211,313 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....12,609	.....12,609
1.1 Bonds exempt from U.S. tax.....	(a).....	.....
1.2 Other bonds (unaffiliated).....	(a).....	.....
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....	.....
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....973,177	.....973,177
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....	.....
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....793,162	.....759,696
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	.....0	.....0
10. Total gross investment income.....	.....1,778,948	.....1,745,482
11. Investment expenses.....		(g).....
12. Investment taxes, licenses and fees, excluding federal income taxes.....		(g).....
13. Interest expense.....		(h).....
14. Depreciation on real estate and other invested assets.....		(i).....0
15. Aggregate write-ins for deductions from investment income.....		.....0
16. Total deductions (Lines 11 through 15).....		.....0
17. Net investment income (Line 10 minus Line 16).....		.....1,745,482

DETAILS OF WRITE-INS

0901. ....	.....	.....
0902. ....	.....	.....
0903. ....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....	.....0	.....0
1501. ....		.....
1502. ....		.....
1503. ....		.....
1598. Summary of remaining write-ins for Line 15 from overflow page.....		.....0
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above).....		.....0
(a) Includes \$.....2,109 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.		
(b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.		
(c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.		
(d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.		
(e) Includes \$.....923 accrual of discount less \$.....197,129 amortization of premium and less \$.....0 paid for accrued interest on purchases.		
(f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.		
(g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.		
(h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.		
(i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.		

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	.....	.....	.....0	.....	.....
1.1 Bonds exempt from U.S. tax.....	.....	.....	.....0	.....	.....
1.2 Other bonds (unaffiliated).....	.....	.....	.....0	.....	.....
1.3 Bonds of affiliates.....	.....	.....	.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....	.....	.....0	.....	.....
2.11 Preferred stocks of affiliates.....	.....	.....	.....0	.....	.....
2.2 Common stocks (unaffiliated).....	.....213,391	.....	.....213,391	.....1,555,427	.....
2.21 Common stocks of affiliates.....	.....	.....	.....0	.....	.....
3. Mortgage loans.....	.....	.....	.....0	.....	.....
4. Real estate.....	.....	.....	.....0	.....	.....
5. Contract loans.....	.....	.....	.....0	.....	.....
6. Cash, cash equivalents and short-term investments.....	.....(8,359)	.....	.....(8,359)	.....	.....
7. Derivative instruments.....	.....	.....	.....0	.....	.....
8. Other invested assets.....	.....	.....	.....0	.....	.....
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	.....205,032	.....0	.....205,032	.....1,555,427	.....0

DETAILS OF WRITE-INS

0901. ....	.....	.....	.....0	.....	.....
0902. ....	.....	.....	.....0	.....	.....
0903. ....	.....	.....	.....0	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page...	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....	.....0	.....0	.....0	.....0	.....0

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			0
2.2 Common stocks.....			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale.....			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			0
6. Contract loans.....			0
7. Derivatives (Schedule DB).....			0
8. Other invested assets (Schedule BA).....			0
9. Receivables for securities.....			0
10. Securities lending reinvested collateral assets (Schedule DL).....			0
11. Aggregate write-ins for invested assets.....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	0	0	0
13. Title plants (for Title insurers only).....			0
14. Investment income due and accrued.....			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	182,784		(182,784)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			0
15.3 Accrued retrospective premiums and contracts subject to redetermination.....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			0
16.2 Funds held by or deposited with reinsured companies.....			0
16.3 Other amounts receivable under reinsurance contracts.....			0
17. Amounts receivable relating to uninsured plans.....			0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0
18.2 Net deferred tax asset.....			0
19. Guaranty funds receivable or on deposit.....			0
20. Electronic data processing equipment and software.....			0
21. Furniture and equipment, including health care delivery assets.....			0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0
23. Receivables from parent, subsidiaries and affiliates.....			0
24. Health care and other amounts receivable.....			0
25. Aggregate write-ins for other-than-invested assets.....	768,557	46,229	(722,328)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	951,341	46,229	(905,112)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	951,341	46,229	(905,112)

DETAILS OF WRITE-INS			
1101.			0
1102.			0
1103.			0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0
2501. Prepaids.....	768,557	46,229	(722,328)
2502.			0
2503.			0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	768,557	46,229	(722,328)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health maintenance organizations.....	119,489	123,859	127,084	123,949	123,735	1,498,864
2. Provider service organizations.....						
3. Preferred provider organizations.....						
4. Point of service.....						
5. Indemnity only.....						
6. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
7. Total.....	119,489	123,859	127,084	123,949	123,735	1,498,864

DETAILS OF WRITE-INS

0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page.....	0	0	0	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above).....	0	0	0	0	0	0

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The accompanying financial statements have been prepared in conformity with accounting practices prescribed or permitted by the Michigan Department of Insurance and Financial Services (DIFS). DIFS requires that HMOs domiciled in Michigan prepare their statutory-basis financial statements in accordance with the National Association of Insurance Commissioners’ (NAIC) Accounting Practices and Procedures Manual, subject to any deviations prescribed or permitted by DIFS.

Beginning in 2007, the State of Michigan (the State) included various transfer programs within premium payments to the Company. Through these programs the Company receives amounts as a component of premium from the State and is required to pass those amounts on to various healthcare providers, as determined by the State. Although there is no risk associated with the transfer, DIFS requires the Company to account for the premium receipts as revenue and the subsequent provider payments as medical expense. These transfers from the State resulted in additional premium revenue and medical expense of \$134,970,000 and \$107,674,000 for 2017 and 2016, respectively. Cash and cash equivalents and medical costs payable and reserves for incurred but unreported claims include \$12,163,000 and \$30,180,000 of amounts due to providers at December 31, 2017 and 2016, respectively. There was no impact to net income from these transfers.

	SSAP #	F/S Page	F/S Line #	2017	2016
NET INCOME					
(1) Priority Health Choice, Inc. Company state basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	\$ 12,784,289	\$ 10,537,691
(2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP					
				\$	\$
(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP					
				\$	\$
(4) NAIC SAP (1 – 2 – 3 = 4)	XXX	XXX	XXX	\$ 12,784,289	\$ 10,537,691
SURPLUS					
(5) Priority Health Choice, Inc. Company state basis (Page 3, line 33, Columns 3 & 4)	XXX	XXX	XXX	\$ 68,784,056	\$ 55,349,453
(6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP					
				\$	\$
(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP					
				\$	\$
(8) NAIC SAP (5 – 6 – 7 = 8)	XXX	XXX	XXX	\$ 68,784,056	\$ 55,349,453

B. Use of Estimates in the Preparation of the Financial Statement

The preparation of financial statements of HMOs requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein.

C. Accounting Policy

- (1) Basis for Short-Term Investments

All short-term investments have been classified in accordance with National Association of Insurance Commissioners (NAIC) guidelines and are stated at amortized cost for financial statement disclosure.
- (2) Basis for Bonds and Amortization Schedule

Investments in bonds are carried at amortized cost. The cost of bonds is adjusted for amortization of premiums and discounts to maturity using a level-yield method. Realized gains and losses are determined using the specific identification method and are included in operations. The fair value of investments is determined based upon quoted market prices.
- (3) Basis for Common Stocks

Investments in Common Stocks are reported at fair market value based upon quoted market prices.
- (4) Basis for Preferred Stocks

NOT APPLICABLE
- (5) Basis for Mortgage Loans

NOT APPLICABLE
- (6) Basis for Loan-Backed Securities and Adjustment Methodology

Loan-backed securities as well as other asset-backed securities are held and are reported at their amortized cost.
- (7) Accounting Policies for Investments in Subsidiaries, Controlled and Affiliated Entities

NOT APPLICABLE
- (8) Accounting Policies for Investments in Joint Ventures, Partnerships and Limited Liability Entities

NOT APPLICABLE
- (9) Accounting Policies for Derivatives

NOT APPLICABLE
- (10) Anticipated Investment Income Used in Premium Deficiency Calculation

The Plan utilizes anticipated investment income as a factor in the premium deficiency calculation.
- (11) Management's Policies and Methodologies for Estimating Liabilities for Losses and Loss/Claim Adjustment Expenses for A&H Contracts

Under traditional arrangements, health care costs are recognized as expenses when services are rendered including, based on historical data, an estimate of costs incurred but not reported at the balance sheet date. Under capitation arrangements and risk-savings/sharing programs, health care costs are recognized when accruable under the providers’ respective agreements. Adjustments to previously rendered claims reserve estimates are reflected in the statement of operations in the period in which the estimates are revised. Such reserve adjustments consist of restatements of claims estimates and changes in margin associated with these estimates and could be material in the future. Given the nature of the health care costs and provider billing requirements, as defined by the participating providers’ agreements, amounts accrued at year-end are paid predominantly in the following year.
- (12) Changes in the Capitalization Policy and Predefined Thresholds from Prior Period

The Plan has had no change in capitalization policy.
- (13) Method Used to Estimate Pharmaceutical Rebate Receivables

The Plan estimates pharmaceutical rebate receivables based on historic collection experience and reporting provided by pharmacy benefit managers.

D. Going Concern
NONE

NOTES TO FINANCIAL STATEMENTS

Note 2 – Accounting Changes and Corrections of Errors

A. Material Changes in Accounting Principles and/or Correction of Errors - NOT APPLICABLE

Note 3 – Business Combinations and Goodwill

- A. Statutory Purchase Method - NOT APPLICABLE
- B. Statutory Merger - NOT APPLICABLE
- C. Assumption Reinsurance - NOT APPLICABLE
- D. Impairment Loss - NOT APPLICABLE

Note 4 – Discontinued Operations

- A. Discontinued Operation Disposed of or Classified as Held for Sale - NOT APPLICABLE
- B. Change in Plan of Sale of Discontinued Operation - NOT APPLICABLE
- C. Nature of any Significant Continuing Involvement with Discontinued Operations After Disposal - NOT APPLICABLE
- D. Equity Interest Retained in the Discontinued Operation After Disposal - NOT APPLICABLE

Note 5 – Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans - NOT APPLICABLE
- B. Debt Restructuring - NOT APPLICABLE
- C. Reverse Mortgages - NOT APPLICABLE
- D. Loan-Backed Securities - NOT APPLICABLE
- E. Dollar Repurchase Agreements and/or Securities Lending Transactions - NOT APPLICABLE
- F. Repurchase Agreements Transcations Accounting for as Second Borrowing - NOT APPLICABLE
- G. Reverse Repurchase Agreements Transcations accounted for as Secured Borrowing - NOT APPLICABLE
- H. Repurchase Agreements Transactions accounted for as Sale - NOT APPLICABLE
- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale - NOT APPLICABLE
- J. Real Estate - NOT APPLICABLE
- K. Low-Income Housing Trade Credits (LIHTC) - NOT APPLICABLE
- L. Restricted Assets

(1) Restricted Assets (Including Pledged)

	1	2	3	4	5	6	7
Restricted Asset Category	Total Gross Restricted from Current Year	Total Gross Restricted from Prior Year	Increase (Decrease) (1 minus 2)	Total Current Year Nonadmitted Restricted	Total Current Year Admitted Restricted (1 minus 4)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (a)	Additional Restricted to Total Admitted Assets (b)
a. Subject to contractual obligation for which liability is not shown	\$	\$	\$	\$	\$	%	%
b. Collateral held under security lending arrangements						%	%
c. Subject to repurchase agreements						%	%
d. Subject to reverse repurchase agreements						%	%
e. Subject to dollar repurchase agreements						%	%
f. Subject to dollar reverse repurchase agreements						%	%
g. Placed under option contracts						%	%
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock						%	%
i. FHLB capital stock						%	%
j. On deposit with states	1,045,896	1,043,786	2,110		1,045,896	%	%
k. On deposit with other regulatory bodies						%	%
l. Pledged as collateral to FHLB (including assets backing funding agreements)						%	%
m. Pledged as collateral not captured in other categories						%	%
n. Other restricted assets						%	%
o. Total Restricted Assets	\$ 1,045,896	\$ 1,043,786	\$ 2,110	\$	\$ 1,045,896	%	%

(a) Column 1 divided by Asset Page, Column 1, Line 28

(b) Column 5 divided by Asset Page, Column 1, Line 28

NOTES TO FINANCIAL STATEMENTS

- (2)

Detail of Assets Pledged as Collateral Not Captured in Other Categories - NOT APPLICABLE
- (3)

Detail of Other Restricted Assets - NOT APPLICABLE
- (4)

Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements - NOT APPLICABLE
- M.

Working Capital Finance Investments - NOT APPLICABLE
- N.

Offsetting and Netting of Assets and Liabilities - NOT APPLICABLE
- O.

Structured Notes - NOT APPLICABLE
- P.

5* Securities - NOT APPLICABLE
- Q.

Short Sales - NOT APPLICABLE
- R.

Prepayment Penalty and Acceleration Fees- NOT APPLICABLE

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

The Plan has no Joint Ventures, Partnerships, or Limited Liability Companies to Report.

Note 7 – Investment Income

This note is not applicable to the Plan as no income due is past its due date and no investment income was non-admitted.

Note 8 – Derivative Instruments

This note is Not Applicable to the Plan.

Note 9 – Income Taxes

The Plan is exempt from federal income taxes as an organization described under Internal Revenue Code Section 501(c)(4). Therefore, income tax expense has not been recorded.

Note 10 – Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

A., B., C. D., E., F., G.

The Plan has a management contract with Priority Health Managed Benefits, Inc. (PHMB), an organization related to the Company through common ownership, to provide certain management services. The management fee incurred by the Plan was \$25,010,000 and \$23,261,000 in 2017 and 2016, respectively.

Priority Health Choice, Inc. also has a management contract with Priority Health, to provide certain management services. The management fee incurred by the Plan was \$201,000 and \$268,000 in 2017 and 2016, respectively.

Health care costs approximating \$109,787,000 and \$102,339,000 in 2017 and 2016, respectively, were provided to plan members by related organizations.

Amounts due from affiliates of \$3,947,000 and \$5,989,000 at December 31, 2017 and 2016, respectively, primarily receivables for pharmacy rebates collected by the Plan's parent and contractual obligations under provider participation agreements. Amounts due to affiliates of \$1,917,000 and \$1,877,000 at December 31, 2017 and 2016, respectively, are related to amounts owed under the management agreement and contractual obligations under provider participation agreements.

- H.

Ownership in Upstream Affiliate or Parent - NOT APPLICABLE
- I.

Investments in SCA Entities Exceeding 10% of Admitted Assets - NOT APPLICABLE
- J.

Investments in Impaired SCA Entities - NOT APPLICABLE
- K.

Investments in Foreign Insurance Subsidiaries - NOT APPLICABLE
- L.

Investment in Downstream Noninsurance Holding Company - NOT APPLICABLE
- M.

Investments in SCA Entities - NOT APPLICABLE
- N.

Investments in SCA Entities - NOT APPLICABLE

Note 11 – Debt

- A.

Debt, including Capital Notes and Reverse Repurchase Agreements - NOT APPLICABLE
- B.

FHLB (Federal Home Loan Bank) Agreements - NOT APPLICABLE

Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

- A.

Defined Benefit Plan - NOT APPLICABLE
- B.

Investment Policies and Strategies - NOT APPLICABLE

NOTES TO FINANCIAL STATEMENTS

- C. Fair Value of Plan Assets - NOT APPLICABLE
- D. Basis Used to Determine Expected Long-Term Rate-of-Return - NOT APPLICABLE
- E. Defined Contribution Plans - NOT APPLICABLE
- F. Multiemployer Plans - NOT APPLICABLE
- G. Consolidated/Holding Company Plans - NOT APPLICABLE
- H. Postemployment Benefits and Compensated Absences - NOT APPLICABLE
- I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) - NOT APPLICABLE

Note 13 – Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

- (1) The Plan has 60,000 authorized shares of common stock. Of these shares, 10,000 are issued and outstanding, all to its parent company, Priority Health.
- (2) Preferred Stock - NOT APPLICABLE
- (3) Dividend Restrictions - NOT APPLICABLE
- (4) All stock is non-dividend bearing
- (5) There were not restrictions placed on the Plan's surplus.
- (6) Restrictions on Unassigned Funds (Surplus) - NOT APPLICABLE
- (7) Advances to Surplus not Repaid - NOT APPLICABLE
- (8) Stock Held for Special Purposes - NOT APPLICABLE
- (9) Special Surplus Funds Changes - NOT APPLICABLE
- (10) The portion of unassigned funds (surplus) represented or reduced by unrealized gains and losses is: \$ (1,555,000)
- (11) Surplus Notes - NOT APPLICABLE
- (12) Impact of a Restatement Due to Prior Quasi-Reorganizations - NOT APPLICABLE
- (13) The Effective Dates of all Quasi-Reorganizations in the Prior Ten Years - NOT APPLICABLE

Note 14 – Liabilities, Contingencies and Assessments

- A. Contingent Commitments

The Plan does not have any commitments or contingent commitments to a SCA entity, joint venture, partnership, limited liability company, or LIHTC at this time.
- B. Assessments - NOT APPLICABLE
- C. Gain Contingencies - NOT APPLICABLE
- D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits - NOT APPLICABLE
- E. Joint and Several Liabilities - NOT APPLICABLE
- F. All Other Contingencies - NOT APPLICABLE

Note 15 – Leases

This note is Not Applicable to the Plan.

Note 16 – Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

This note is Not Applicable to the Plan.

Note 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

This note is Not Applicable to the Plan.

Note 18 – Gain or Loss to the Reporting Entity from Uninsured Plans and the Portion of Partially Insured Plans

This note is Not Applicable to the Plan.

Note 19 – Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

This note is Not Applicable to the Plan.

Note 20 – Fair Value Measurements

NOTES TO FINANCIAL STATEMENTS

A. The Plan’s financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* (now codified under FASB Accounting Standards Codification 820, *Fair Value Measurements and Disclosures*). The hierarchy gives the highest ranking to fair values determined using unadjusted quoting prices in active markets for identical assets and liabilities (Level 1) and the lowers ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset’s or a liability’s classification is based on the lowest level input that is significant to its measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3). The levels of the fair value hierarchy are as follows:

Level 1: Financial instruments with unadjusted, quoted prices listed on active market exchanges.

Level 2: Financial instruments lacking unadjusted, quoted prices from active market exchanges, including over-the-counter traded financial instruments. The prices for the financial instruments are determined using prices for recently traded financial instruments with similar underlying terms as well as directly or indirectly observable inputs, such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3: Financial instruments that are not actively traded on a market exchange. This category includes situations where there is little, if any, market activity for the financial instrument. The prices are determined using significant unobservable inputs or valuation techniques.

	Level 1	Level 2	Level 3	Total	Net Asset Value (NAV) Included in Level 2
Assets at Fair Value					
Common Stock	\$ 45,077,632	\$	\$	\$ 45,077,632	\$
Total	\$ 45,077,632	\$	\$	\$ 45,077,632	\$

- (2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy - NOT APPLICABLE
- (3) Policies when Transfers Between Levels are Recognized - NOT APPLICABLE
- (4) Description of Valuation Techniques and Inputs Used in Fair Value Measurement - NOT APPLICABLE
- (5) Fair Value Disclosures - NOT APPLICABLE

B. Fair Value Reporting under SSAP 100 and Other Accounting Pronouncements - NOT APPLICABLE

C. Transfers Between Levels

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)	Net Asset Value (NAV) Included in Level 2
Common Stock	\$ 45,077,632	\$ 45,077,632	\$ 45,077,632	\$	\$	\$	\$

D. Not Practicable to Estimate Fair Value - NOT APPLICABLE

Note 21 – Other Items

- A. Unusual or Infrequent Items - NOT APPLICABLE
- B. Troubled Debt Restructuring Debtors - NOT APPLICABLE
- C. Other Disclosures - NOT APPLICABLE
- D. Business Interruption Insurance Recoveries - NOT APPLICABLE
- E. State Transferable and Non-Transferable Tax Credits - NOT APPLICABLE
- F. Subprime Mortgage Related Risk Exposure - NOT APPLICABLE
- G. Retained Assets - NOT APPLICABLE
- H. Proceeds as the Issuer, Ceding Insurer, or Counterparty of Insurance-Linked Securities - NOT APPLICABLE

Note 22 – Events Subsequent

A.	Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)?	Yes []	No [X]
B.	ACA fee assessment payable for the upcoming year	\$	\$
C.	ACA fee assessment paid	\$	\$
D.	Premium written subject to ACA 9010 assessment	\$	\$
E.	Total adjusted capital before surplus adjustment (Five-Year Historical Line 14)	\$ 68,784,056	
F.	Total adjusted capital after surplus adjustment (Five-Year Historical Line 14 minus 22B above)	\$ 68,784,056	
G.	Authorized control level (Five-Year Historical Line 15)	\$ 14,872,772	
H.	Would reporting the ACA assessment as of December 31, 2017 have triggered an RBC action level (YES/NO)?	Yes []	No [X]

Note 23 – Reinsurance

- A. Ceded Reinsurance Report - NOT APPLICABLE

NOTES TO FINANCIAL STATEMENTS

- B. Uncollectible Reinsurance - NOT APPLICABLE
- C. Commutation of Ceded Reinsurance - NOT APPLICABLE
- D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation - NOT APPLICABLE

Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination

This note is Not Applicable to the Plan.

Note 25 – Change in Incurred Losses and Loss Adjustment Expenses

Adjustments to previously rendered claims reserve estimates are reflected in the statement of operations in the period in which the estimates are revised. Such reserve adjustments consist of restatements of claim estimates and release of any margin associated with these estimates. Reserve adjustments were favorable by approximately \$4,438,000 in 2017, decreasing the prior year-end claim reserve estimates of approximately \$61,091,000 to \$56,653,000.

Note 26 – Intercompany Pooling Arrangements

This note is Not Applicable to the Plan.

Note 27 – Structured Settlements

This note is Not Applicable to the Plan.

Note 28 – Health Care Receivables

- A. Pharmaceutical Rebate Receivables

The Plan’s method for estimating pharmacy rebates relies on the information provided by pharmacy benefit managers for invoiced rebates.. The Plan’s pharmacy rebates are collected by its parent company and are included in the Plan’s amounts due from affiliates.

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More than 180 Days After Billing
12/31/2017	\$ 233,795	\$	\$	\$	\$
09/30/2017	218,285		320,141		
06/30/2017	196,154		321,618	819	
03/31/2017	202,038		320,529	1,086	
12/31/2016	164,146		356,533	163,562	5,127
09/30/2016	237,866		205,249	337,089	20,154
06/30/2016	169,907		201,447	200,354	112,627
03/31/2016	221,000		215,841	205,900	63,166
12/31/2015	192,000		247,313	200,348	184,582
09/30/2015	175,000		203,405	310,462	154,040
06/30/2015	175,000		185,770	233,898	194,073
03/31/2015	128,000		97,449	280,657	160,030

- B. Risk Sharing Receivables - NOT APPLICABLE

Note 29 – Participating Policies

This note is Not Applicable to the Plan.

Note 30 – Premium Deficiency Reserves

The Plan did not have a premium deficiency reserve as of December 31, 2017 and 2016.

Note 31 – Anticipated Salvage and Subrogation

This note is Not Applicable to the Plan.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
If yes, complete Schedule Y, Parts 1, 1A and 2.

Yes [X] No []

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes [X] No [] N/A []

1.3

State regulating? MI

2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes [X] No []

2.2

If yes, date of change:

08/21/2017

3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2017

3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity.
This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2013

3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

03/03/2015

3.4

By what department or departments?
State of Michigan Department of Insurance and Financial Services

3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?

Yes [] No [] N/A [X]

3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes [X] No [] N/A []

4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11

sales of new business?

Yes [] No [X]

4.12

renewals?

Yes [] No [X]

4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21

sales of new business?

Yes [] No [X]

4.22

renewals?

Yes [] No [X]

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes [] No [X]

5.2

If yes, provide the name of entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile

6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes [] No [X]

6.2

If yes, give full information:

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes [] No [X]

7.2

If yes,

7.21

State the percentage of foreign control

%

7.22

State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1	2
Nationality	Type of Entity

8.1

Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board?

Yes [] No [X]

8.2

If response to 8.1 is yes, please identify the name of the bank holding company.

8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [] No [X]

8.4

If the response to 8.3 is yes, please provide below the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	SEC

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young LLP, 171 Monroe Ave., Grand Rapids, MI 49503

10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes [] No [X]

10.2

If the response to 10.1 is yes, provide information related to this exemption:

10.3

Has the insurer been granted any exemptions related to other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation?

Yes [] No [X]

10.4

If the response to 10.3 is yes, provide information related to this exemption:

10.5

Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes [X] No [] N/A []

10.6

If the response to 10.5 is no or n/a, please explain:

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Ernst & Young LLP, Insurance & Advisory Actuarial Services, 5 Times Square, New York, NY 10036
- 12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes ☐ No ☒

12.11 Name of real estate holding company

12.12 Number of parcels involved

\$0

12.13 Total book/adjusted carrying value

\$0
- 12.2 If yes, provide explanation
13. **FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**
- 13.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 13.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes ☐ No ☐

13.3 Have there been any changes made to any of the trust indentures during the year?

Yes ☐ No ☐

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes ☐ No ☐ N/A ☐

14.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes ☒ No ☐

(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

(c) Compliance with applicable governmental laws, rules and regulations;

(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

(e) Accountability for adherence to the code.

14.11 If the response to 14.1 is no, please explain:

14.2

Has the code of ethics for senior managers been amended?

Yes ☐ No ☒

14.21 If the response to 14.2 is yes, provide information related to amendment(s).

14.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes ☐ No ☒

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

15.1

Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?

Yes ☐ No ☒

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1	2	3	4
American Bankers Association (ABA) Routing Number	Issuing or Confirming Bank Name	Circumstances That Can Trigger the Letter of Credit	Amount
			\$

BOARD OF DIRECTORS

16.

Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinator committee thereof?

Yes ☒ No ☐

17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

Yes ☒ No ☐

18.

Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes ☒ No ☐

FINANCIAL

19.

Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes ☐ No ☒

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers

\$0

20.12 To stockholders not officers

\$0

20.13 Trustees, supreme or grand (Fraternal only)

\$0

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers

\$0

20.22 To stockholders not officers

0

20.23 Trustees, supreme or grand (Fraternal only)

0

21.1

Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reporting in the statement?

Yes ☐ No ☒

21.2 If yes, state the amount thereof at December 31 of the current year:

21.21 Rented from others

\$0

21.22 Borrowed from others

\$0

21.23 Leased from others

\$0

21.24 Other

\$0

22.1

Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments?

Yes ☐ No ☒

22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment

\$0

22.22 Amount paid as expenses

\$0

22.23 Other amounts paid

\$0

23.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes ☒ No ☐

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$376,870

INVESTMENT

27.1

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

24.01

Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)?

Yes ☐ No ☒

24.02

If no, give full and complete information, relating thereto:
PH Choice had exclusive control over the securities, however, a third party, Mellon Bank, had actual possession of the securities

24.03

For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 17 where this information is also provided).

24.04

Does the company's security lending program meet the requirements for a conforming program as outlined in the *Risk-Based Capital Instructions*?

Yes ☐ No ☐ N/A ☒

24.05

If answer to 24.04 is yes, report amount of collateral for conforming programs.

\$0

24.06

If answer to 24.04 is no, report amount of collateral for other programs

\$0

24.07

Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

Yes ☐ No ☐ N/A ☒

24.08

Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

Yes ☐ No ☐ N/A ☒

24.09

Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?

Yes ☐ No ☐ N/A ☒

24.10

For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

24.101

Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2:

\$0

24.102

Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2:

\$0

24.103

Total payable for securities lending reported on the liability page:

\$0

25.1

Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is current in force? (Exclude securities subject to Interrogatory 21.1 and 24.03.)

Yes ☒ No ☐

25.2

If yes, state the amount thereof at December 31 of the current year:

25.21

Subject to repurchase agreements

\$0

25.22

Subject to reverse repurchase agreements

\$0

25.23

Subject to dollar repurchase agreements

\$0

25.24

Subject to reverse dollar repurchase agreements

\$0

25.25

Placed under option agreements

\$0

25.26

Letter stock or securities restricted as sale – excluding FHLB Capital Stock

\$0

25.27

FHLB Capital Stock

\$0

25.28

On deposit with states

\$1,045,896

25.29

On deposit with other regulatory bodies

\$0

25.30

Pledged as collateral – excluding collateral pledged to an FHLB

\$0

25.31

Pledged as collateral to FHLB – including assets backing funding agreements

\$0

25.32

Other

\$0

25.3

For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		\$

26.1

Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes ☐ No ☒

26.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
If no, attach a description with this statement.

Yes ☐ No ☐ N/A ☒

27.1

Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes ☐ No ☒

27.2

If yes, state the amount thereof at December 31 of the current year:

\$0

28.

Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*?

Yes ☒ No ☐

28.01

For agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
Mellon Trust	Pittsburgh, PA

28.02

For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

28.03

Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?

Yes ☐ No ☒

28.04

If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

28.05

Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts", "... handle securities"].

1 Name of Firm or Individual	2 Affiliation
Prime Advisors	U

28.0597

For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets?

Yes ☒ No ☐

27.2

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes [] No [X]

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1	2	3	4	5
Central Registration Depository Number	Name of Firm or Individual	Legal Entity Identifier (LEI)	Registered With	Investment Management Agreement (IMA) Filed
N/A	Prime Advisors	N/A	SEC	NO

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D-Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes [X] No []

29.2 If yes, complete the following schedule:

1 CUSIP	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
233203 58 7	DFA EMERGING MKTS VAL	\$ 610,792
233203 62 9	DFA INTL SMALL COS	\$ 1,141,727
4812C0 38 1	JP MORGAN CORE BD	\$ 17,423,504
921943 88 2	VANGUARD DEV MKTS IX FD	\$ 2,290,650
922031 74 5	VANGUARD INFLATION PROTECTED FD	\$ 1,115,496
922040 10 0	VANGUARD INSTL IX FD	\$ 2,255,427
922042 60 1	VANGUARD EMERGING MKT STK IX	\$ 584,061
922908 83 5	VANGUARD MID CAP IX	\$ 1,129,723
922908 87 6	VANGUARD SMALL CAP IX FD	\$ 1,134,651
92837F 86 2	VIRTUS SEIX TTL RTRN R6	\$ 17,391,603
29.2999 TOTAL		\$ 45,077,634

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
DFA EMERGING MRKTS VALUE	China Construction Bank	\$ 15,881	12/29/2017
DFA INTERNATIONAL	S+P500 Emini Fut Dec 17	\$ 10,276	12/29/2017
JP MORGAN CORE BOND	US Treasuries / Agencies	\$ 4,983,122	12/29/2017
RIDGEWORTH TOTAL RETURN	US Treasuries / Agencies	\$ 1,026,211	12/29/2017
VANGUARD DEV MKTS INDEX FUND	Nestle SA	\$ 14,501	12/29/2017
VANGUARD INFLATION PROTECTED FUND	US Treasuries / Agencies	\$ 2,250,916	12/29/2017
VANGUARD INSTL INDEX FUND	Apple Inc.	\$ 22,194	12/29/2017
VANGUARD EMERGING MKT STK INDEX	Tencent Holdings Ltd	\$ 42,929	12/29/2017
VANGUARD MID CAP INDEX	Fiserv Inc	\$ 7,943	12/29/2017
VANGUARD SMALL CAP INDEX FUND	Diamondback Energy Inc	\$ 69,566	12/29/2017

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

		1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds	\$ 47,860,444	\$ 47,789,052	\$ (71,392)
30.2	Preferred Stocks	\$ 0	\$ 0	\$ 0
30.3	Totals	\$ 47,860,444	\$ 47,789,052	\$ (71,392)

30.4 Describe the sources or methods utilized in determining the fair values:

Pricing Services & Brokers

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [X] No []

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [X] No []

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? Yes [X] No []

32.2 If no, list exceptions:

33. By self-designating 5*GI securities, the reporting entity is certifying the following elements for each self-designation 5*GI security:

- a. Documentation necessary to permit a full credit analysis of the security does not exist.
- b. Issuer or obligor is current on all contracted interest and principal payments.
- c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5*GI securities? Yes [] No [X]

OTHER

34.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 81,299

34.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1	2
---	---

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

Name		Amount Paid
Alliance of Community Health Plans		\$ 45,786
AM Best		\$ 22,900

35.1

Amount of payments for legal expenses, if any?

\$ 11,698

35.2

List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Miller, Johnson, Snell & Cummiskey, P.L.C.	\$ 3,585
Warner, Norcross & Judd LLP	\$ 4,191
Leo Nouhan and Associates, P.L.C.	\$ 3,502

36.1

Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?

\$ 74,030

36.2

List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
Hooper, Lundy & Bookman, P.L.C.	\$ 20,988
Alliance of Community Health Plans	\$ 24,655

GENERAL INTERROGATORIES

PART 2 – HEALTH INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [☐]

No [☒ X]

1.2

If yes, indicate premium earned on U.S. business only.

\$

0

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$

0

1.31

Reason for excluding:

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$

0

1.5

Indicate total incurred claims on all Medicare Supplement insurance.

\$

0

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$

0

1.62

Total incurred claims

\$

0

1.63

Number of covered lives

0

All years prior to most current three years:

1.64

Total premium earned

\$

0

1.65

Total incurred claims

\$

0

1.66

Number of covered lives

0

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$

0

1.72

Total incurred claims

\$

0

1.73

Number of covered lives

0

All years prior to most current three years:

1.74

Total premium earned

\$

0

1.75

Total incurred claims

\$

0

1.76

Number of covered lives

0

2.

Health Test:

1

Current Year

2

Prior Year

2.1

Premium Numerator

\$

517,463,814

\$

484,530,294

2.2

Premium Denominator

\$

517,463,814

\$

484,530,294

2.3

Premium Ratio (2.1/2.2)

100.0%

100.0%

2.4

Reserve Numerator

\$

46,046,172

\$

65,976,432

2.5

Reserve Denominator

\$

46,046,172

\$

65,976,432

2.6

Reserve Ratio (2.4/2.5)

100.0%

100.0%

3.1

Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes [☐]

No [☒ X]

3.2

If yes, give particulars:

4.1

Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes [☒ X]

No [☐]

4.2

If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes [☐]

No [☒ X]

5.1

Does the reporting entity have stop-loss reinsurance?

Yes [☒ X]

No [☐]

5.2

If no, explain:

5.3

Maximum retained risk (see instructions)

5.31

Comprehensive Medical

\$

800,000

5.32

Medical Only

\$

800,000

5.33

Medicare Supplement

\$

0

5.34

Dental and Vision

\$

0

5.35

Other Limited Benefit Plan

\$

0

5.36

Other

\$

0

6.

Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
HMO holds harmless provisions of provider contracts, trust indentures

GENERAL INTERROGATORIES
PART 2 – HEALTH INTERROGATORIES

7.1

Does the reporting entity set up its claim liability for provider services on a service date basis?

Yes [X] No []

7.2

If no, give details

8.

Provide the following information regarding participating providers:

8.1

Number of providers at start of reporting year

6,899

8.2

Number of providers at end of reporting year

8,259

9.1

Does the reporting entity have business subject to premium rate guarantees?

Yes [] No [X]

9.2

If yes, direct premium earned:

9.21

Business with rate guarantees with rate guarantees between 15-36 months

\$ 0

9.22

Business with rate guarantees over 36 months

\$ 0

10.1

Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

Yes [X] No []

10.2

If yes:

10.21

Maximum amount payable bonuses

3,421,091

10.22

Amount actually paid for year bonuses

3,421,091

10.23

Maximum amount payable withholds

568,366

10.24

Amount actually paid for year withholds

513,773

11.1

Is the reporting entity organized as:

11.12

A Medical Group/Staff Model,

Yes [] No [X]

11.13

An Individual Practice Association (IPA), or,

Yes [X] No []

11.14

A Mixed Model (combination of above)?

Yes [] No [X]

11.2

Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements?

Yes [X] No []

11.3

If yes, show the name of the state requiring such minimum capital and surplus.
Michigan

11.4

If yes, show the amount required.

\$ 29,745,544

11.5

Is this amount included as part of a contingency reserve in stockholder's equity?

Yes [] No [X]

11.6

If the amount is calculated, show the calculation
200% ACL

12. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area
Allegan
Barry
Berrien
Branch
Calhoun
Cass
Ionia
Kalamazoo
Kent
Lake
Mason
Mecosta
Montcalm
Muskegon
Newaygo
Oceana
Osceola
Ottawa
Saint Joseph
Van Buren

13.1

Do you act as a custodian for health savings accounts?

Yes [] No [X]

13.2

If yes, please provide the amount of custodial funds held as of the reporting date.

\$ 0

13.3

Do you act as an administrator for health savings accounts?

Yes [] No [X]

13.4

If yes, please provide the balance of the funds administered as of the reporting date.

\$ 0

14.1

Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers?

Yes [] No [X] N/A []

14.2

If the answer to 14.1 is yes, please provide the following:

1 Company Name	2 NAIC Company Code	3 Domiciliary Jurisdiction	4 Reserve Credit	Assets Supporting Reserve Credit		
				5 Letters of Credit	6 Trust Agreements	7 Other
	0		\$	\$	\$	\$

GENERAL INTERROGATORIES

PART 2 – HEALTH INTERROGATORIES

15. Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded).

\$	0
\$	0
	0

15.1 Direct Premium Written

15.2 Total Incurred Claims

15.3 Number of Covered Lives

*Ordinary Life Insurance Includes
Term (whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without secondary guarantee)
Universal Life (with or without secondary guarantee)
Variable Universal Life (with or without secondary guarantee)

FIVE-YEAR HISTORICAL DATA

	1 2017	2 2016	3 2015	4 2014	5 2013
Balance Sheet Items (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28).....	125,076,094	132,328,090	122,787,215	85,432,938	61,968,758
2. Total liabilities (Page 3, Line 24).....	56,292,038	76,978,637	77,906,266	55,666,419	32,469,173
3. Statutory minimum capital and surplus requirement.....	29,745,544	26,802,862	24,604,935	18,791,780	13,300,184
4. Total capital and surplus (Page 3, Line 33).....	68,784,056	55,349,453	44,880,949	29,766,519	29,499,583
Income Statement Items (Page 4)					
5. Total revenues (Line 8).....	517,463,814	484,530,294	452,045,980	341,051,363	231,486,741
6. Total medical and hospital expenses (Line 18).....	476,498,873	419,859,650	386,402,389	305,152,949	216,358,252
7. Claims adjustment expenses (Line 20).....	11,166,090	10,975,892	9,397,200	8,154,760	6,112,013
8. Total administrative expenses (Line 21).....	18,965,076	45,483,385	41,764,759	28,176,444	9,650,764
9. Net underwriting gain (loss) (Line 24).....	10,833,775	8,211,367	14,481,632	(432,790)	(634,288)
10. Net investment gain (loss) (Line 27).....	1,950,514	1,375,624	683,262	636,176	533,414
11. Total other income (Lines 28 plus 29).....		950,700			
12. Net income or (loss) (Line 32).....	12,784,289	10,537,691	15,164,894	203,386	(100,874)
Cash Flow (Page 6)					
13. Net cash from operations (Line 11).....	(6,342,894)	8,814,381	27,561,357	20,310,485	7,122,049
Risk-Based Capital Analysis					
14. Total adjusted capital.....	68,784,056	55,349,453	44,880,949	29,766,519	29,499,583
15. Authorized control level risk-based capital.....	14,872,772	13,401,431	12,302,468	9,395,890	6,650,092
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7).....	123,735	119,489	115,522	100,120	75,136
17. Total member months (Column 6, Line 7).....	1,498,864	1,349,587	1,356,865	1,099,804	859,774
Operating Percentage (Page 4) (Item divided by Page 4, sum of Lines 2, 3, and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5).....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Line 18 plus Line 19).	92.1	86.7	85.5	89.5	93.5
20. Cost containment expenses.....	1.1	1.1	0.9	1.0	1.0
21. Other claims adjustment expenses.....	1.1	1.2	1.2	1.4	1.6
22. Total underwriting deductions (Line 23).....	97.9	98.3	96.8	100.1	100.3
23. Total underwriting gain (loss) (Line 24).....	2.1	1.7	3.2	(0.1)	(0.3)
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5).....	59,550,655	54,938,781	35,768,848	23,788,566	19,972,409
25. Estimated liability of unpaid claims - [prior year (Line 13, Col. 6)]	63,548,868	63,579,601	44,310,390	25,372,589	18,636,590
Investments in Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1).....					
27. Affiliated preferred stocks (Sch D. Summary, Line 18, Col. 1).....					
28. Affiliated common stocks (Sch D. Summary, Line 24, Col. 1).....					
29. Affiliated short-term investments (subtotal included in Sch. DA, Verification, Column 5, Line 10).....					
30. Affiliated mortgage loans on real estate.....					
31. All other affiliated.....					
32. Total of above Lines 26 to 31.....	0	0	0	0	0
33. Total investment in parent included in Lines 26 to 31 above.....					

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors?

Yes[] No[]

If no, please explain:

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

		1	Direct Business Only							
			2	3	4	5	6	7	8	9
State, Etc.		Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums and Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1.	Alabama.....AL	N							.....0	
2.	Alaska.....AK	N							.....0	
3.	Arizona.....AZ	N							.....0	
4.	Arkansas.....AR	N							.....0	
5.	California.....CA	N							.....0	
6.	Colorado.....CO	N							.....0	
7.	Connecticut.....CT	N							.....0	
8.	Delaware.....DE	N							.....0	
9.	District of Columbia.....DC	N							.....0	
10.	Florida.....FL	N							.....0	
11.	Georgia.....GA	N							.....0	
12.	Hawaii.....HI	N							.....0	
13.	Idaho.....ID	N							.....0	
14.	Illinois.....IL	N							.....0	
15.	Indiana.....IN	N							.....0	
16.	Iowa.....IA	N							.....0	
17.	Kansas.....KS	N							.....0	
18.	Kentucky.....KY	N							.....0	
19.	Louisiana.....LA	N							.....0	
20.	Maine.....ME	N							.....0	
21.	Maryland.....MD	N							.....0	
22.	Massachusetts.....MA	N							.....0	
23.	Michigan.....MI	L		5,548,543	512,545,542				518,094,085	
24.	Minnesota.....MN	N							.....0	
25.	Mississippi.....MS	N							.....0	
26.	Missouri.....MO	N							.....0	
27.	Montana.....MT	N							.....0	
28.	Nebraska.....NE	N							.....0	
29.	Nevada.....NV	N							.....0	
30.	New Hampshire.....NH	N							.....0	
31.	New Jersey.....NJ	N							.....0	
32.	New Mexico.....NM	N							.....0	
33.	New York.....NY	N							.....0	
34.	North Carolina.....NC	N							.....0	
35.	North Dakota.....ND	N							.....0	
36.	Ohio.....OH	N							.....0	
37.	Oklahoma.....OK	N							.....0	
38.	Oregon.....OR	N							.....0	
39.	Pennsylvania.....PA	N							.....0	
40.	Rhode Island.....RI	N							.....0	
41.	South Carolina.....SC	N							.....0	
42.	South Dakota.....SD	N							.....0	
43.	Tennessee.....TN	N							.....0	
44.	Texas.....TX	N							.....0	
45.	Utah.....UT	N							.....0	
46.	Vermont.....VT	N							.....0	
47.	Virginia.....VA	N							.....0	
48.	Washington.....WA	N							.....0	
49.	West Virginia.....WV	N							.....0	
50.	Wisconsin.....WI	N							.....0	
51.	Wyoming.....WY	N							.....0	
52.	American Samoa.....AS	N							.....0	
53.	Guam.....GU	N							.....0	
54.	Puerto Rico.....PR	N							.....0	
55.	U.S. Virgin Islands.....VI	N							.....0	
56.	Northern Mariana Islands.....MP	N							.....0	
57.	Canada.....CAN	N							.....0	
58.	Aggregate Other alien.....OT	XXX	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
59.	Subtotal.....	XXX	.....0	5,548,543	512,545,542	.....0	.....0	.....0	518,094,085	.....0
60.	Reporting entity contributions for Employee Benefit Plans.....	XXX							.....0	
61.	Total (Direct Business).....	(a).....1	.....0	5,548,543	512,545,542	.....0	.....0	.....0	518,094,085	.....0

DETAILS OF WRITE-INS									
58001. ....									.....0
58002. ....									.....0
58003. ....									.....0
58998. Summary of remaining write-ins for line 58.....		.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
58999. Total (Lines 58001 through 58003 + 58998).....		.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0

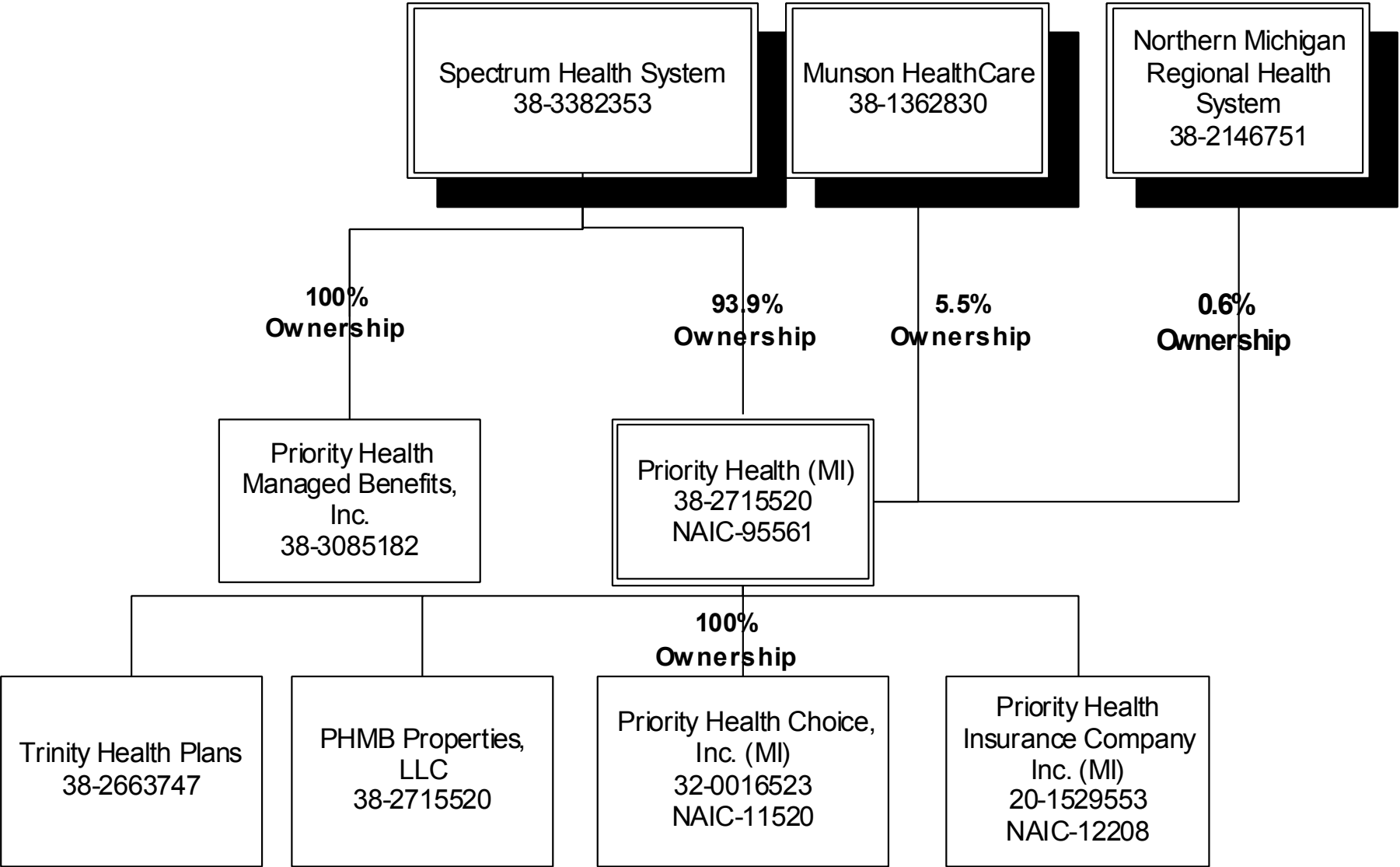
(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer; (E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

Explanation of basis of allocation by states, premiums by state, etc.

(a) Insert the number of L responses except for Canada and Other Alien.

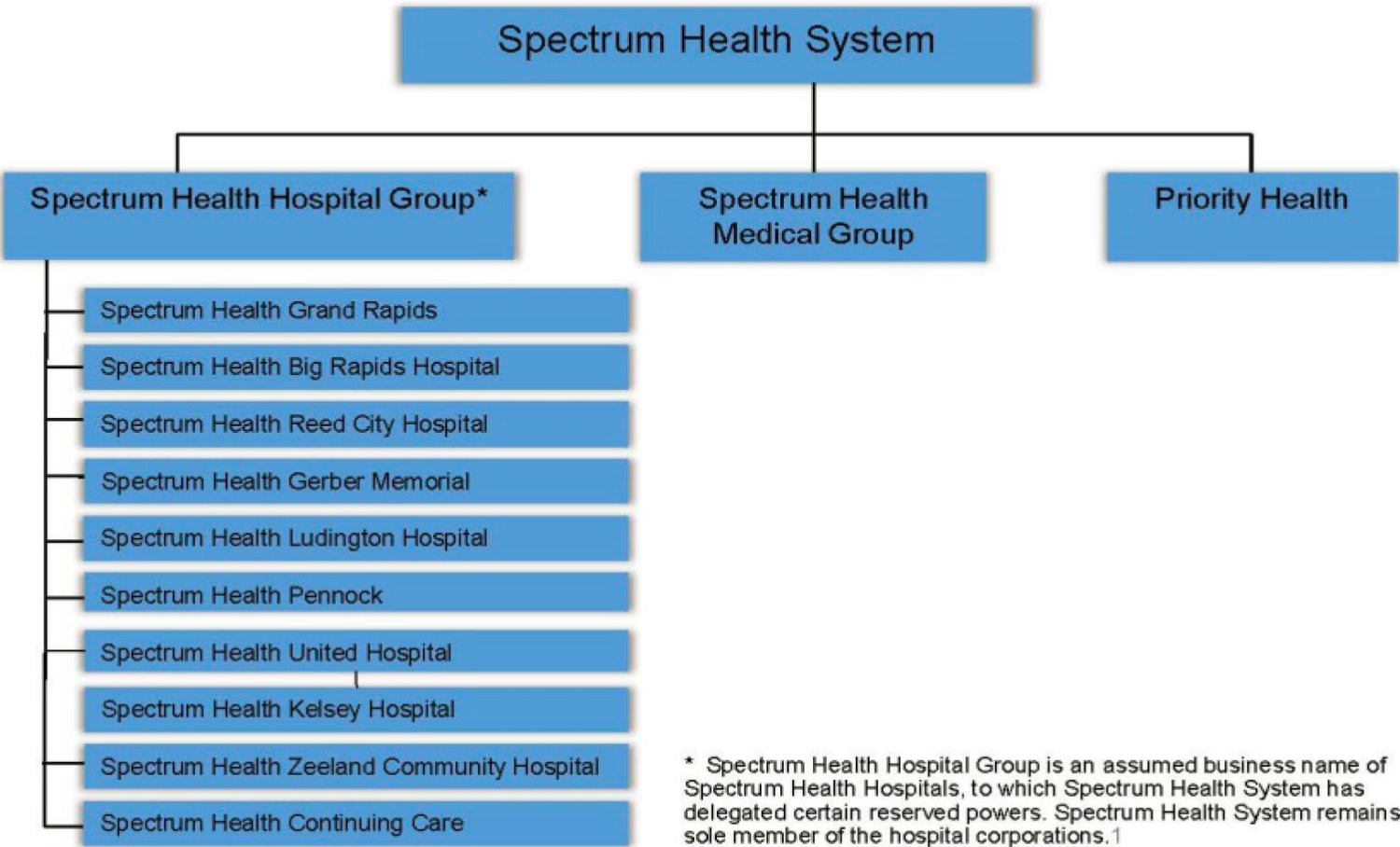
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART



SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

Spectrum Health Corporate Structure



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